

Dube Tradeport
29° South
7 Umsinsi Junction
La Mercy
KwaZulu-Natal
4399
26 August 2011

Department of Environmental Affairs
Fedsure Building, South Tower
Corner Van der Walt & Pretorius Street
PRETORIA
0001

By email: jabader@environment.gov.za

Attention: Mr Ishaam Abader
Deputy Director General, Environmental Quality and Protection

Dear Sir

RESPONSE TO THE SUBMISSION BY ETHEKWINI MUNICIPALITY ON TO THE ENVIRONMENTAL ASSESSMENT OF THE PROPOSED WATSON HIGHWAY LINK ROAD (EIA REF: 12/12/20/1887)

Purpose of this submission

The purpose of this letter is to respond to correspondence from Development Planning, Environment and Management Department of the eThekweni Municipality dated 25 July 2011, and the additional comment from the eThekweni Transport Authority dated 19 August (but faxed on 22 August 2011).

In essence the eThekweni Municipality have raised two issues in response to the submission of the Draft Environmental Impact Report for the proposed Watson Highway Link road.

1. The Municipality has objected to the proposed approach used to calculate the functional area offset for the loss of wetland habitat.
2. The Municipality's Transport Authority have concerns about the road being linked to the north (and hence becoming a link road), and the road used by vehicles as a bypass to avoid tolling.

These issues are responded to hereunder.

Response to objection to the proposed approach used to calculate the functional area offset for the loss of wetland habitat

1. The objection raised by the Municipality is flawed in that the site was levelled by the national sphere of Government over 40 years ago in anticipation of the construction of an airport. The airport was never developed and the land was leased to agricultural companies for agricultural purposes (cane farming). Thereafter the land was sub-divided and only transferred to Dube TradePort in 2010.
2. In these circumstances any reliance on section 28 of NEMA (the National Environmental Management Act, 1998) is misplaced:
 - (a) Section 28 is clear – it imposes the obligation to remedy the effects of pollution or degradation on *'every person who causes, has caused or may cause significant pollution or degradation of the environment'*.
 - (b) The levelling of the platform and the farming activities conducted by the erstwhile owners and lessee were at all times lawful and did not constitute *'significant pollution or degradation of the environment'* as contemplated by section 28.
 - (c) Dube TradePort has not caused (and will not cause) *'significant pollution or degradation of the environment'*. On the contrary it is taking positive steps to rehabilitate the site and has committed itself to planning and implementation of a rehabilitation plan for Dube TradePort and the Airport. The statement that the current state of the wetlands is *'the result of direct draining and farming practices by the current landowner'* is factually incorrect.
3. A hectare equivalent approach based on the functionality of the wetlands has been used to calculate the proposed offset. This recommendation has been made by a suitably qualified environmental practitioner, who has assessed the impacts of the proposed development. The hectare equivalent approach is also widely accepted internationally as an adequate way in which to calculate offsets. This approach is more appropriate than the 1:3 approach advocated by the Municipality.
4. It needs to be emphasised that the 'wetlands' in question do not exist, and have been covered by sugarcane and of limited functionality for over 40 years. Dube TradePort has however committed itself to the implementation of a rehabilitation plan for Dube TradePort and the Airport in compliance with the RoD.
5. It is also important to consider the opportunity costs associated with rehabilitating more land. If a 1:3 offset approach is used, as opposed to the hectare equivalent approach, an additional 3.25 hectares will need to be rehabilitated. In order to determine the economic impacts of rehabilitating more hectares of land as opposed to unlocking the development potential of the area, a high-level macroeconomic impact assessment (partial general macroeconomic

equilibrium analysis based on a Social Accounting Matrix) was performed. If the 1:3 offset approach is used, we estimate that the loss of employment opportunities will be in the region of 1400 jobs and approximately R219 million per annum in investment (see attachment 1 for full details of this calculation).

The objection concerning the road being linked to the north (and hence becoming a link road) used by vehicles as a bypass to avoid tolling

1. It was at all times contemplated that the road would link to the north and hence become a ring road: This was highlighted in the Traffic Impact Assessment Report prepared by TECHSO (January 2007) as part of the original KSIA Environmental Impact Assessment (July 2007). The report contemplated at pages 75 and 76:

“4. The following roads and upgrades are to be implemented by 2010:

Internal Road Infrastructure 2010

- 1. Provision of a ring road within Dube Tradeport site*
- 2. Free-flow access to/from the passenger terminal as far as possible*
- 3. Segregation of heavy goods vehicles by means of the ring road*
- 4. Reservation of space for future rail link.”*

2. The eThekweni Traffic Authority accepted this and expressed their support for the alternative access to the TradeZone and Cargo areas from the North in the form of the ring road. This was also a means of providing for an alternative road to separate heavy traffic from airport passenger access, and an alternative road to provide access to the airport in times of emergencies or should there be a closure/restriction of traffic flow for some reason of the main access road.
3. The link road is critical and will meet all the above requirements. It will also significantly contribute to the economic success of the airport, increase passenger volumes, grow cargo volumes and grow the logistics value chain.
4. The concerns with regard to avoidance of the toll roads is not understood. Firstly there is no evidence to support the concern that the link road will be used by motorists to avoid the toll road, and this is speculative. However, even if this were the case (which is not conceded):
 - (a) The road is a private road;
 - (b) The Municipality has no authority or power to toll roads and tolls (in general) fall outside of its mandate;
 - (c) Toll roads fall within the exclusive mandate of the national roads agency (SANRAL), but apply only in respect of national roads. The road in question is not a national road;

(d) Motorists must always be provided with an alternative to a toll road.

Concluding Comments

5. In light of the arguments above, DTP respectfully requests the department to consider our preferred option, that is, allowing this road to be constructed as initially conceptualised, with a link to the Southern road network.
6. If the department chooses to accept ETA's comments, DTP requests that the ETA response is not reflected in a direct condition in the ROD, should the application be approved, but rather that the department makes it possible for DTP and ETA to inform the department as and when agreement has been reached, without an amendment application being required.
7. In addition, DTP respectfully request the Department of Environment to consider the merits of the proposed hectare equivalent approach in making a final decision / environmental authorisation with regards to this vital component of the airport to proceed.

Yours Sincerely



Rohan Persad
CEO: Dube Tradeport Corporation

CC: Ms Millicent Solomons: Deputy Director Parastatals
Ms Soobs Moonsamy: Development Planning, Environment and Management Unit,
eThekwini
Mr Malcom Moses: Department of Agriculture, Environmental Affairs and Rural
Development, KZN.
Mr Russel Stow, ARCUS GIBB

Annexure 1: Economic Impact Analysis of a 1:3 offset approach versus a hectare equivalent approach

In order to determine the economic impacts of rehabilitating more hectares of land as opposed to unlocking the development potential of the area, a high-level macroeconomic impact assessment (partial general macroeconomic equilibrium analysis based on a Social Accounting Matrix (SAM)) was performed. The assessment was based on the premise that - if less space is rehabilitated - more (about 3.25 hectares) is available for development, thus creating jobs and generating revenue in light industry, logistics and warehousing (for instance).

It was estimated that the direct impact on employment, should operations in these industries commence after development, could be 957 (i.e. 957 jobs in eThekweni for one year of operation - and sustained every year for as long as the industries remain operational). However, when direct, indirect and induced employment opportunities were considered, this number increased to 1 471 jobs which could potentially be sustained in the City - on an annual basis - if the 3.25 hectares referred to earlier was developed (and became operational). Of these, about 508 would most probably be unskilled. In terms of regional Gross Domestic Product (GDP-R) the direct impact in eThekweni of the envisaged light industry, logistics and warehousing was expected to be approximately R219.8 million (in 2011 prices) per annum (on average) - while the total impact (direct + indirect + induced) could average around R267.0 million per annum (in 2011 prices).

Annexure 2: Extract from the TECHSO Traffic Impact Assessment

It is important to note that not all of the infrastructure improvements listed above is necessary or proposed for the first phase of the development. Furthermore the above list (or any part of this report) does not address the apportionment of costs in any way. A separate process should be undertaken to identify more accurately the need for regional road infrastructure provision and the associated costs. This should for example include the preliminary planning for the R102.

Section 11.2 below suggests a list of improvements that are required for the first phase of the development.

Chapter 6 of this document provides some indications related to the timing of upgrades to the N2, R102 and other upgrades.

This study has identified that given the size, expected distribution of trips and economic role that the Dube TradePort is expected to play, the provision of an access to the R102 that also links to the N2 interchange is considered necessary within the first phase of the development. The construction of the P577 between Duff's Road and Kwadebeka reinforces the need for upgrading the R102 to a major route, which in turn reinforces the need for access from the Dube TradePort to the R102.

It is also recommended that space be reserved, and the necessary planning and design be undertaken, in order to allow for the provision of a rail link to the Dube TradePort in future. In the time prior to the establishment of a rail link a dedicated bus feeder could be considered.

It is proposed that the N2 interchange be placed at the current proposed location, but that it is designed in such a manner that it can accommodate a link to the east (M4) in future.

In addition to the above listed infrastructure upgrades various planning initiatives are also required. These include:

- 1) Public Transport Strategy & Initiatives (including linkages to the North-South Corridor)
- 2) Planning and Design of the R102
- 3) Planning for a Rail Link
- 4) Toll Strategy

11.2 Infrastructure upgrades required for Phase 1 of Dube TradePort

The previous section listed a variety of infrastructure upgrades and planning initiatives that should be undertaken (at least in the long term) if a satisfactory level of service is to be provided for traffic around the proposed development site at La Mercy.

Of the above the following list is considered important for inclusion in the phase 1 design and implementation prior to the completion of the development:

Planning Initiatives:

- Public Transport Strategy & Initiatives
- Planning and Design of the R102
- Toll Strategy

Site Specific Elements:

- Provision of a ring road within the Dube TradePort site
- Free-flow access to/from the Passenger terminal as far as possible

- Segregation of Heavy goods vehicles by means of the ring road
- Reservation of space for future rail link

Access:

- The provision of an access to the R102

Access and Regional Roads

- The upgrading of the R102 between Mount Edgecombe and Tongaat (especially the section from the DTP site southwards through Verulam, including the intersections with Inanda Rd and the Phoenix Highway).

Public Transport & non-motorised transport

- Provision of pedestrian and bicycle facilities along regional roads to the north, south and west of the Dube TradePort site (mainly for employees from these areas)
- Provision of public transport facilities (such as bus & taxi stops) on access routes to/from the Dube TradePort.